

**REDEVELOPMENT  
OF THE NASSAU VETERANS  
MEMORIAL COLISEUM SITE  
RFP #CE0812-0557**

**ANSWERS TO GENERAL CLARIFICATION  
QUESTIONS**

**and**

**QUESTIONS TO  
SPECIFIC INDIVIDUAL PROPOSERS**



**and**



**REQUEST FOR PROPOSALS  
FOR THE REDEVELOPMENT OF THE  
NASSAU VETERANS MEMORIAL COLISEUM SITE  
RFP #CE0812-0557**

**PART 1: GENERAL CLARIFICATION QUESTIONS**

**1) PROGRAM:**

**Answers to a, b & c:**

Total square footage by type:

Residential – Rental (1) 12 story 200 unit building = 200,000 s/f  
Condo (2) 14 story 225 unit buildings = 450,000 s/f  
650,000 s/f

Commercial

(County Seat) – (2) 14 story, 300,000 s/f buildings = 600,000 s/f  
(1) 16 story 600,000 s/f building = 600,000 s/f  
1,200,000 s/f

(Rental) – (2) 12 story, 250,000 s/f buildings = 500,000 s/f  
1,700,000 s/f

Retail

“Lifestyle Center” – 1 & 2 story building = 160,000 s/f  
Retail Rental - 1 story building = 50,000 s/f  
“Coliseum Expansion” – 1 & 2 story building = 130,000 s/f

**Answer to d:** Office tenants to be charged \$30 per square foot; Retail tenants to be charged \$25 per square foot; Residential condominium sales will range from \$400 to \$600 per square foot; Rental rates will range from \$1,200 to \$2,500 per month.

**Answer to e:** The buildings that are being built for County use are expected to be occupied at completion. The commercial buildings constructed for office tenants are assumed to lease up in two years. We anticipate a one-year lease up for the retail space. We anticipate approximately 50% pre-leasing of all categories. Expected occupancy rates stabilized at 90%.

**Answer to f:** The schedule for commencement, completion and occupancy of development is based upon the issuance of all necessary permits which is anticipated to be one to two years after the County award. Completion is anticipated to be 24 to 36 months and occupancy upon completion.

**Answer to g:** The majority of apartments will be two bedrooms. Approximately 20% will be one bedroom and 10% will be studio apartments. Regarding retail tenancies, the sizes would range anywhere from 2000 square feet to 20,000 square feet.

**Answer to h:** 15% of the rental units will be provided as workforce housing for those families earning an annual income of no more than \$90,000 per annum. The expected subsidy level will be 20% of sales price.

## 2) PROPERTY VALUE

**Answer to a:** Sales per square foot for condominiums will be \$400 to \$600 per square foot.

**Answer to b:** Rental price per square foot for rental units will be \$1,200 to \$2,500 per month.

**Answer to c:** Average sales price by size of unit will be: Studio (900 sq.ft. x \$400 per foot = \$360,000); One bedroom (1,000 sq.ft. x \$500 per foot = \$500,000); Two bedroom (1,200 sq.ft. x \$600 per foot = \$720,000).

**Answer to d:** The annual sales per square foot for retail space is virtually impossible to answer. We would anticipate \$400 per square foot and up.

**Answer to e:** Not applicable.

## 3) PARKING

**Answer to a:** Parking for residential housing will be allocated to apartment owners or renters. Said parking will be underground. Parking for office buildings and County buildings will be divided between underground and structured parking.

Residential – 1.5 spaces/unit = 975 spaces & visitors  
(650 spaces below grade, 300+ visitors above grade)

Commercial & Retail – 1 space/250 s/f (1,910,000 s/f / 250)  
7,640 spaces will be provided  
(6 Story parking garage + 2 stories below grade)

Coliseum Expansion & Coliseum

On grade parking	=	235 spaces
On grade VIP parking	=	350 spaces
3 Story parking garage	=	<u>5,000 spaces</u>
		5,585 spaces

4) **ZONING:**

**Answer:** We have current zoning as follows:

USE: Multifamily, Commercial, Retail & Municipal Recreation Use  
HEIGHT: 210'  
BLDG.  
AREA: 36%

The majority of what we are proposing would conform to the current zoning.

5) **SCHEDULE:**

**Answer:** After the award preparations will be started to apply for the necessary zoning variances using a team of attorneys, architects, engineers, traffic specialists and any other specialists that we feel would be required to expedite the proceedings. We are anticipating two years for obtaining the necessary approvals. Upon receipt of approvals construction will commence and it is anticipated to take two to three years to finish all work.

6) **PAYMENTS AND GUARANTEES:**

**Answer to a:** The County would be paid as outlined by turning over the deed of the building upon completion of the 600,000 square foot facility as outlined in our proposal. It is anticipated that this building will be constructed first. The only contingency would be approval from the Town of Hempstead of the plans that are being submitted.

**Answer to b:** The deal is subject to approvals. If we do not receive approvals, the deal will be null and void. If we do receive approvals and do not obtain the necessary financing, we are prepared to reimburse the County for any costs associated with the RFP.

**PART 2: QUESTIONS SPECIFIC TO INDIVIDUAL PROPOSERS**

**POLIMENI INTERNATIONAL PROPOSAL**

1) **COUNTY OFFICE SPACE**

a. For the 600,000 square foot County office building:

- i. As shown on the renderings submitted we anticipate constructing this space as "Class A" office space.

- ii. We would require the County's input on all aspects of the plans for the buildings they will occupy.
- iii. We have anticipated the cost of constructing the building to be \$145 per square foot, which when the value of the land and the cost to construct the underground parking and the structured parking is added to that number brings the figure to \$225 per square foot. If after sign off on construction the County decides to change anything, any cost for those changes will be at the County's expense.
- iv. As per our modifications submitted on October 17, 2005, this amount has been increased to \$87,000,000. The purpose of this increase is to include a \$20 per square foot tenant improvement allowance which is customary and standard in the industry.
- v. Parking under each building would be reserved for County use of that building only. The structured parking would be for general parking.
- vi. The County is exchanging the land in return for the 600,000 square foot building. Said building and the structured parking has a value of approximately \$225 per square foot; hence the County would benefit by an amount of \$135,000,000.

b. Potential revenue from land sales by the County of buildings occupied by agencies moving to the newly constructed buildings on the 77 acre site.

- i. There are a number of other additional buildings too numerous to mention that equal the 1,100,000 square feet.
- ii. Based on the strength of the current real estate market we conservatively estimate that the average value of buildings per foot would be \$150. That multiplied by the amount of square footage to be sold would be \$165,000,000.
- iii. Same as above.
- iv. The current market for all types of real estate is extremely strong and we anticipate these properties to be absorbed quickly.
- v. We would recommend that the County consider selling its properties after they take possession of the new building. This should be in one to two years.
- vi. We have anticipated that the purchasers of these buildings will either renovate the properties or raze them to build something new that would result in a tax rate equal to a new property. The \$6.00 per square foot is based on what we are currently paying on existing properties located in the same area.

c. All utilities will be sub-metered and will be the responsibility of the County. (See attached letter from Richard Kessel, Chairman, Long Island Power Authority.) The lease will contain an option to renew for another thirty years at 90% of market rate for comparable space in the area. The \$30 rental rate anticipates the building being taxed at the rate of \$6.00 per square foot. Should the County choose to eliminate the tax on these two buildings the rate would be reduced by that same amount. If the County chooses not to eliminate the real estate taxes on these two buildings, any future increases in the rates would be passed on to the County.

- i. We are aware of the Dept. of Social Services lease and we are prepared to assume the responsibility of said lease when the Dept. of Social Services vacates that space.

## 2) **RETAIL/ENTERTAINMENT**

Yes as to either or both. This project will have a similar quality and mix of retail/entertainment venues to other Cordish projects. Examples are as follows:

Houston, Texas – Bayou Place, Angelika Movie Theater and restaurant (first Angelika venue outside New York City) and Verizon Live Performance venue in partnership with Clear Channel;

Hollywood, Florida – Hard Rock Hotel/Casino, Hard Rock Live Performance Hall, IMPROV Comedy Club;

Baltimore, Maryland – The Power Plant, Inner Harbor, first ESPN Zone in the U.S.;

Towson, Maryland – Towson Circle, Trader Joe's, Barnes & Noble, Bally's;

Baltimore, Maryland – Power Plant Live!, Ruth's Chris, different dance venues, six restaurants, art gallery;

Atlantic City, New Jersey – Polo, Coach, Brooks Brothers, 40/40 Club (Jay-Z);

Charleston, South Carolina – Charleston Place, five star hotel and upscale restaurants;

Joint ventures with Pittsburgh Steelers, St. Louis Cardinals, San Francisco Giants to build mixed-use entertainment/retail, residential villages connected to stadiums;

“Live!” entertainment districts in numerous cities such as 4<sup>th</sup> Street Live!, Louisville, Kentucky.

All of these projects have at least two dozen different entertainment venues clustered around a central plaza; many of the tenants are unique such as Lucky Strike.

## 3) **SPORTS DEAL COMPONENT**

- a. If we are required to honor the SMG lease we will. However, with our own resources we could co-book the facility and add events.
- b. We would ask the County to use eminent domain and condemn the lease. Since SMG has paid the County virtually nothing under its management, hopefully the eminent domain price will reflect this.
- c. We are involved in running performance venues of all sizes. These venues host sporting events, musical events, corporate events and

community events. If given a free hand, we would bring in our own team to manage the facility. This would give us the advantage of open booking where SMG, AEG, Clear Channel and others who can all bring us their events.

- d. Very realistic. We would pay for all the capital cost of upgrading the Coliseum. For example, putting in first-class suites probably at ground level. However, this would require the Islanders to share on a reasonable basis with us the resulting increased revenue.
- e. Our goal on the Coliseum is to upgrade the facility to first-class and make enough of a “profit” to cover the debt service on this expenditure, anticipated at \$150,000,000. We are not looking at the Coliseum as a profit center “per se”. We will make our profit hopefully on the real estate play.
- f. The \$150,000,000 expenditure is not contingent on the Islanders extending beyond 2015; however, it is contingent on their being reasonable in revenue allocation between now and the time of our expenditure.
- g. Most definitely. Our contacts with the three major leagues are unparalleled. There are NBA and NHL franchises that would kill for this location. There are weak cities in both leagues looking to relocate.

We would reiterate that while we are confident in our abilities in answers (a) through (g) above, there is great merit in splitting the project. Our team could create a true world-class town center, lifestyle project on the majority of the raw land. Another party could be awarded the Coliseum and approximately 10 acres of raw land.

#### 4) **COLISEUM RENOVATION/IMPROVEMENTS**

- a. The cost to provide necessary parking for the Coliseum is part of the \$150,000,000 expenditure.
- b. Completion within 18 months of reaching agreement with SMG and the Islanders.
- c. This would be negotiated as part of “b”. We have no problem assuming these costs provided there is reasonable resolution with the Islanders and SMG or the termination of SMG.
- d. New private suites, new food venues including an upscale dining experience, improved concourse.

## **BUILDINGS OWNED BY NASSAU COUNTY**

<b>OLD COURT HOUSE</b>	<b>137,000 s/f</b>
<b>240 OLD COUNTRY ROAD</b>	<b>217,000 s/f</b>
<b>100 OLD COUNTRY ROAD</b>	<b>148,000 s/f</b>
<b>1 WEST STREET</b>	<b>144,000 s/f</b>
<b>NORTH BELLEROSE</b>	<b>100,000 s/f</b>
<b>BRUSH HOLLOW ROAD</b>	<b>20,000 s/f</b>
<b>40 MAIN STREET</b>	<b>68,000 s/f</b>
<b>POLICE ACADEMY</b>	<b><u>113,000 s/f</u></b>
	<b><u>947,000 s/f</u></b>





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<http://www.lipower.org>

October 25, 2005

Vincent Polimeni  
600 Old Country Road  
Suite 425  
Garden City, New York 11530

Dear Vincent:

I want to commend you on your recent proposal to Nassau County to create a County Center. It certainly sounds like an exciting idea and I hope that you do well in the competitive process that has already begun.

LIPA would be prepared to work with you in building an energy smart facility that includes the most modern and updated energy efficient technologies and might even include renewable energy resources like solar, wind, fuel cells or geothermal.

Energy efficient building is the way to go and we would be delighted to work with you on this project if you are selected. Good luck.

Sincerely,

A handwritten signature in dark ink, consisting of several loops and a long horizontal stroke at the end.

Richard M. Kessel  
Chairman